

Grantee: Chandler, AZ

Grant: B-11-MN-04-0502

July 1, 2011 thru September 30, 2011 Performance Report

Grant Number:

B-11-MN-04-0502

Obligation Date:**Grantee Name:**

Chandler, AZ

Award Date:**Grant Amount:**

\$1,332,011.00

Contract End Date:

03/09/2014

Grant Status:

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

Carl Morgan

Disasters:**Declaration Number**

NSP

Narratives**Summary of Distribution and Uses of NSP Funds:**

The City of Chandler proposes to utilize NSP 3 funds to provide a multi-faceted approach to reducing foreclosures within the greatest need census tracts of the City of Chandler by providing a variety of NSP 3 activities: down payment assistance, acquisition/rehabilitation for first time homebuyers (Chandler Community Land Trust), permanent affordable rental unit development and acquisition/demolition and reduction of blight.

The City of Chandler proposes to allocate \$419,643 in NSP 3 funds to develop three (3) permanent affordable rental units. The housing units will be targeted and rented to income-qualified (below 50% AMI) working poor, formerly homeless families and low-income Veteran families. All affordable rental units will be located in the 422209 census tract (NSP3 Need Score 18).

The City of Chandler proposes to allocate \$200,000 in NSP 3 funds to provide down payment assistance to 20 first time homebuyers whose annual household income does not exceed 120% AMI. Up to \$10,000 in assistance will be available for qualified first time homebuyers. It is estimated that 15 first time homebuyers will have a median income between 51%-80% and would also be eligible for Individual Development Account (IDA) match funds up to \$15,000. It is estimated that five (5) first time homebuyers will have a median income of 81%-120%. A total of 16 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 523002 census tract (NSP 3 Need Score 19) and 4 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 422209 census tract (NSP 3 Need Score 18).

The City of Chandler proposes to allocate \$492,447 in NSP 3 funds to the Chandler Community Land Trust which will acquire, rehabilitate and resell seven (7) vacant, foreclosed homes to qualified first time homebuyers. The Land Trust creates permanently affordable housing stock in the City of Chandler as it resells just the structure to homebuyers and the land remains in the land trust. It is estimated that six (6) homes will be purchased, rehabilitated and resold to first time homebuyers whose median area income is at or below 80%. One home will be purchased, rehabilitated and resold to a first time homebuyers whose annual household income is at or below 50% AMI. All seven Land Trust homes are proposed to be purchased in the 523002 census tract.

Finally, the City of Chandler proposes to allocate \$150,000 to establish the Chandler Land Bank Program. Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment. These structures will be located in the 523002 census tract.

How Fund Use Addresses Market Conditions:

The City has developed a strategic approach in targeting areas where NSP 3 activities will have a larger impact on more residents and where service providers can provide an effective program that will meet NSP 3 expenditure deadlines. Chandler selected two census tracts to target NSP 3 activities which had NSP 3 Need Scores of 18 and 19. The creation of NSP 3 activities and layering them within target areas of other Chandler programs and resources, such as HOME and NSP 1 activities, Chandler can make a visual and positive impact to reducing the number of vacant and foreclosed properties from the market. This will help to stabilize the targeted neighborhoods, allow opportunities for first time homebuyers to purchase homes without the risk of obtaining financing by a subprime mortgage related loan and remove slum and blighted conditions caused by vacant foreclosures.

Ensuring Continued Affordability:

The City of Chandler will ensure continued affordability for NSP 3-assisted housing by adopting the HOME program standards at 24 CFR 92.252 (a), (c), (e), and (f) for rental units and 92.254 for homeownership units.

The affordability period for NSP 3-assisted acquisition or acquisition/rehab of rental and homeownership units will, at a minimum, meet the HOME standard:

Per-unit NSP 3 Assistance up to \$15,000	Min. Affordability Period 5 years
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\$15,000-\$40,000	10 years
above \$40,000	5 years

Definition of Blighted Structure:

Chapter 30 of the Chandler City Code defines blight as:
Blight or blighted. Unsightly conditions including [including -- not limited to] accumulation of debris; fences characterized by holes, breaks, rot, crumbling, cracking, peeling or rusting; landscaping that is dead, characterized by uncontrolled growth, lack of maintenance, or is damaged; any other similar conditions of disrepair and deterioration; and the exterior visible use or display of tarps, plastic sheeting, or other similar materials as flexible or inflexible screening, fencing, or wall covering upon a residential lot; regardless of the condition of other properties in the neighborhood.

Definition of Affordable Rents:

* Apartment/Walk-up: 65% of current HOME rental limit: Currently these rents are- 2 bedroom-\$480/mo, 3 bedroom-\$520/mo and 4 bedroom-\$555/mo. These rents are 35% below the low HOME Rental limit.
* Townhouse/Row House & Semi-detached duplex: 70% of the current low HOME rental limit: 2 bedroom-\$550/mo, 3 bedroom-\$600/mo, and 4 bedroom-\$645.00/mo. These limits are 30% below the low HOME Rental limit.
* Detached house: 2 bedroom-75% of current low HOME rental limits: \$620/mo, 3 bedroom-\$670/mo and 4 bedroom-\$715/mo. These rental limits are 25% below the HOME rental limit.
The City of Chandler Section 8 Program Rent Limits effective October, 2010 indicates a 2 bedroom FMR is \$890/mo, for a 3 bedroom the FMR is \$1,227/mo and for a 4 bedroom is \$1,437/mo. Proposed rental rates are substantially lower.
In addition, ARM proposes to pay the water, sewer and refuse and if applicable, the HOA fee.

Housing Rehabilitation/New Construction Standards:

All rehabilitation under the NSP 3 program will meet the HUD CDBG Rehabilitation Standards (25 CFR 570.208(b) (1-2)) and local City of Chandler building codes. All rehabilitation must meet a minimum standard that public health, safety and welfare are maintained or enhanced as work is performed. All work must be completed in a professional workmanlike manner in compliance with the workmanship standards and licensing requirements of the Arizona Registrar of Contractors as established by Arizona Statute. All units rehabilitated with NSP 3 funding will meet at a minimum Housing Quality Standards and include Residential Energy Standards.

Vicinity Hiring:

Although none of the proposed projects anticipate hiring of new staff, the City of Chandler will require all subrecipient rehabilitation bids, contracting, or new hiring be accomplished through vicinity hiring practices as required by NSP 3. Proposed subrecipients included procedures for vicinity hiring in their NSP 3 funding applications which included preference for rehabilitation contracts that hire low-income Chandler residents and/or contract with Chandler businesses who have low-income employees.

Procedures for Preferences for Affordable Rental Dev.:

The City of Chandler announced a preference for permanent affordable rental development projects during the Request for Proposal process stating that applications with viable proposals to increase permanent affordable rental in Chandler will receive additional preference scoring during the review process. The City received one (1) application for permanent affordable rental development and proposes to fully fund this activity.

Grantee Contact Information:

City of Chandler, Jennifer Morrison, Neighborhood Resources Director, 235 S. Arizona Ave. MS 600, Chandler, AZ 85225
480-782-4347, Fax 480-782-4350, jennifer.morrison@chandleraz.gov, www.chandleraz.gov

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,332,011.00
Total CDBG Program Funds Budgeted	N/A	\$1,332,011.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$6,174.80	\$6,174.80
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$199,801.65	\$0.00
Limit on Admin/Planning	\$133,201.10	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$133,201.10	\$69,921.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$333,002.75	\$419,643.00

Overall Progress Narrative:

A nonprofit subrecipient has been identified for the Acquisition / Rehab Rental project. The notice to proceed for this project is expected to be issued in 4th Quarter, 2011.

Negotiations are continuing with a nonprofit subrecipient for the Acquisition / Rehab Community Land Trust and Newtown DPA project. A notice to proceed is expected to be issued soon after an agreement is reached on project details.

The Land Bank Project's target area has been defined and a property has been identified for possible acquisition. The City is waiting for a response from Fannie Mae to the City's offer to purchase the property.

The City of Chandler has expended \$6,175 in administrative funds completing contracts, reports, and other program requirements.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
AcqReh2011, Acq/Rehab	\$0.00	\$912,090.00	\$0.00
Admin2011, NSP3 Administration	\$0.00	\$69,921.00	\$0.00
FM1, Financing Mechanisms	\$0.00	\$200,000.00	\$0.00
LandBank2011, Land Banking	\$0.00	\$150,000.00	\$0.00

Activities

Grantee Activity Number: 2011 NSP3 Acq/Rehab CLT

Activity Title: Newtown CLT LMMH

Activity Category:

Acquisition - general

Project Number:

AcqReh2011

Projected Start Date:

05/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Acq/Rehab

Projected End Date:

06/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall

Jul 1 thru Sep 30, 2011

To Date

Total Projected Budget from All Sources

N/A

\$492,447.00

Total CDBG Program Funds Budgeted

N/A

\$492,447.00

Program Funds Drawdown

\$0.00

\$0.00

Program Funds Obligated

\$0.00

\$0.00

Program Funds Expended

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The City of Chandler, through a partnership with Newtown Community Development Corporation, will purchase seven vacant, foreclosed homes to be included in the Chandler Community Land Trust. The Land Trust purchases homes, rehabilitates them and resells the structure only to income qualified first time homebuyers. The land is retained in the land trust. Chandler proposes that six first time homebuyers will have annual household incomes at 80% or below AMI. One first time homebuyer will have an annual household income at 50% or below AMI.

Location Description:

All seven vacant and foreclosed homes to be purchased, rehabilitated and resold to eligible first time homebuyers will be located in the 523002 census tract, one of Chandler's NSP 3 targeted neighborhoods. This census tract has a NSP 3 Need Score of 19.

Activity Progress Narrative:

The City has identified a nonprofit subrecipient to complete this project. Negotiations on project details are continuing with the nonprofit. The Downpayment Assistance project was initially designed to be implemented in partnership with this project, and is on hold at this time. A notice to proceed for both projects is expected to be issued soon after an agreement is reached on project details for the Community Land Trust project.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/7
# of Parcels acquired voluntarily	0	0/7

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/7
# of Singlefamily Units	0	0/7

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/7	0/0	0/7	0
# Owner Households	0	0	0	0/7	0/0	0/7	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	2011 NSP3 Acq/Rehab Rental
Activity Title:	ARM Acq/Rehab LH25

Activity Category:

Acquisition - general

Project Number:

AcqReh2011

Projected Start Date:

05/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Acq/Rehab

Projected End Date:

06/30/2013

Completed Activity Actual End Date:
Responsible Organization:

City of Chandler

Overall	Jul 1 thru Sep 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$419,643.00
Total CDBG Program Funds Budgeted	N/A	\$419,643.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
City of Chandler	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The City of Chandler proposes to award funds to Affordable Rental Movement of the Save the Family Organization, who will purchase three vacant and foreclosed multi-family units (single-family detached) for the use of permanent affordable rental development. Housing rental units will be rented to income qualified (at or below 50% AMI) working poor, formerly homeless families and low income Veteran families.

Location Description:

All three vacant, foreclosed multi family units to be purchased, rehabilitated and rented to low income (50% AMI or below) families and will be located in one of the City's NSP 3 targeted census tracts 422209. This targeted census tract has an NSP 3 Need Score of 18.

Activity Progress Narrative:

A nonprofit subrecipient has been identified to complete the Acquisition / Rehab Rental project. The contract for this project is substantially complete. A notice to proceed is expected to be issued to the nonprofit in 4th Quarter, 2011.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/3
# of Parcels acquired voluntarily	0	0/3
	This Report Period	Cumulative Actual Total / Expected
	Total	Total

# of Housing Units	0	0/3
# of Multifamily Units	0	0/3

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/3	0/0	0/3	0
# Renter Households	0	0	0	0/3	0/0	0/3	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	2011 NSP3 COC Admin
Activity Title:	COC NSP 3 Administration

Activity Category:

Administration

Activity Status:

Planned

Project Number:

Admin2011

Project Title:

NSP3 Administration

Projected Start Date:

05/01/2011

Projected End Date:

06/30/2013

Benefit Type:

N/A

Completed Activity Actual End Date:**National Objective:**

N/A

Responsible Organization:

City of Chandler

Overall**Jul 1 thru Sep 30, 2011****To Date****Total Projected Budget from All Sources**

N/A

\$69,921.00

Total CDBG Program Funds Budgeted

N/A

\$69,921.00

Program Funds Drawdown

\$0.00

\$0.00

Program Funds Obligated

\$0.00

\$0.00

Program Funds Expended

\$6,174.80

\$6,174.80

City of Chandler

\$6,174.80

\$6,174.80

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The City of Chandler will utilize \$69,921 or 5% of its total NSP 3 allocation for administration of Chandler's NSP 3 programs. Funding will be utilized for portions of staff salaries for implementation of the City's NSP 3 activities and for oversight of the subrecipient NSP 3 activities.

Location Description:

The City of Chandler proposes to administer all NSP 3 activities in the two specified targeted census tracts 523002 and 422209.

Activity Progress Narrative:

City of Chandler's administrative activities for the NSP 3 program have been ongoing since 2010. Activities this past quarter include negotiating project details with a nonprofit, implementing the Land Bank program, and completing reports. \$6,175 in administrative expenses were incurred by Chandler through Sept. 30, 2011. The drawdown for these expenses will be completed during the 4th quarter of 2011.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 2011 NSP3 COC Land Bank

Activity Title: COC LandBank LMMH

Activity Category:

Land Banking - Acquisition (NSP Only)

Project Number:

LandBank2011

Projected Start Date:

07/01/2011

Benefit Type:

Area Benefit (Survey)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Land Banking

Projected End Date:

06/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall

Jul 1 thru Sep 30, 2011

To Date

Total Projected Budget from All Sources

N/A

\$150,000.00

Total CDBG Program Funds Budgeted

N/A

\$150,000.00

Program Funds Drawdown

\$0.00

\$0.00

Program Funds Obligated

\$0.00

\$0.00

Program Funds Expended

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The City of Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment.

Location Description:

The two vacant, foreclosed, blighted multi-family structures will be located in the NSP 3 targeted census tract of 523002. This census tract has a NSP 3 Need Score of 19.

Activity Progress Narrative:

The Land Bank Project's target area has been defined and a property has been identified for possible acquisition. Fannie Mae has been contacted and an offer has been submitted. The City is waiting for their response. The goal for the program is to demolish the vacant structures on properties that are acquired and add the property to the Chandler Land Bank. Once enough parcels have been assembled in the Land Bank, a new residential development will be built on the property.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/2

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/4

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number: 2011 NSP3 Newtown DPA

Activity Title: Newtown DPA LMMH

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

FM1

Projected Start Date:

05/02/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Financing Mechanisms

Projected End Date:

06/30/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Chandler

Overall

Jul 1 thru Sep 30, 2011

To Date

Total Projected Budget from All Sources

N/A

\$200,000.00

Total CDBG Program Funds Budgeted

N/A

\$200,000.00

Program Funds Drawdown

\$0.00

\$0.00

Program Funds Obligated

\$0.00

\$0.00

Program Funds Expended

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The City of Chandler, in partnership with Newtown Community Development Corporation will provide up to 20 first time homebuyers with up to \$10,000 in down payment assistance to purchase a vacant, foreclosed home in either of Chandler's two NSP 3 targeted census tracts.

Location Description:

Twenty (20) first time homebuyers will receive assistance to purchase vacant foreclosed homes in both of the City's NSP 3 targeted areas, census tracts 523002 and 422209. Sixteen homeowners will be targeted in Census tract 523002 which has an NSP 3 Need Score of 19. Four homeowners will be targeted in Census tract 422209 which has an NSP 3 Need Score of 18.

Activity Progress Narrative:

The Downpayment Assistance project was initially designed to be implemented in partnership with the Acquisition / Rehab Community Land Trust project. The City has identified a nonprofit subrecipient to complete both of these projects. Both of these projects are on hold because negotiations with the nonprofit are continuing regarding project details for the Land Trust project. A notice to proceed for both projects is expected to be issued soon after an agreement is reached on the project details.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/20
# of Singlefamily Units	0	0/20

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/15	0/5	0/20	0
# Owner Households	0	0	0	0/15	0/5	0/20	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
